



3015 (02-02-05)

ANNUAL REPORT

OF

Name: PHELPS SANITARY DISTRICT NO. 1

Principal Office: P.O. BOX 227
PHELPS, WI 54554

For the Year Ended: DECEMBER 31, 2005

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I PATRICIA A. GILL of
(Person responsible for accounts)

_____, PHELPS SANITARY DISTRICT NO. 1, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

	03/10/2006
(Signature of person responsible for accounts)	(Date)

BOOKKEEPER

(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: PHELPS SANITARY DISTRICT NO. 1

Utility Address: P.O. BOX 227
PHELPS, WI 54554

When was utility organized? 4/3/1969

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: PATRICIA A. GILL

Title: BOOKKEEPER

Office Address:

2789 ST LOUIS RD
PHELPS, WI 54554

Telephone: (715) 545 - 3409

Fax Number: (715) 545 - 3409

E-mail Address: gill@newnorth.net

Individual or firm, if other than utility employee, preparing this report:

Name: RANDALL H. BEARD, CPA

Title: PARTNER

Office Address: WIPFLI, LLP

43A WEST DAVENPORT STREET
RHINELANDER, WI 54501

Telephone: (715) 369 - 1040

Fax Number: (715) 369 - 5407

E-mail Address: rbeard@wipfli.com

President, chairman, or head of utility commission/board or committee:

Name: JOHN BARRON

Title: PRESIDENT

Office Address:

4373 MAPLE CIRCLE
PHELPS, WI 54554

Telephone: (715) 545 - 2844

Fax Number:

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: RANDALL H. BEARD, CPA**Title:** PARTNER**Office Address:** WIPFLI, LLP

43A WEST DAVENPORT STREET

RHINELANDER, WI 54501

Telephone: (715) 369 - 1040**Fax Number:** (715) 369 - 5407**E-mail Address:** rbeard@wipfli.com**Date of most recent audit report:** 2/14/2006**Period covered by most recent audit:** 1/1/2005-12/31/2005

Names and titles of utility management including manager or superintendent:

Name: MR BUD PETRICK**Title:** MANAGER**Office Address:**

P.O. BOX 227

PHELPS, WI 54554

Telephone: (715) 545 - 3222**Fax Number:** (715) 545 - 3222**E-mail Address:** LPETRICK@NEWNORTH.NET

Name of utility commission/committee: n/a

Names of members of utility commission/committee:

MR JAMES ADAMS, SECRETARY

MR JOHN BARRON, PRESIDENT

MR TIM BARRON, TREASURER

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes?** YES**Date of Ordinance:** 4/3/1969

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone: () - EXT

Fax Number: () -

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	75,897	72,755	1
Operating Expenses:			
Operation and Maintenance Expense (401)	40,879	43,027	2
Depreciation Expense (403)	19,412	19,633	3
Amortization Expense (404)	2,763	0	4
Taxes (408)	1,336	1,338	5
Total Operating Expenses	64,390	63,998	
Net Operating Income	11,507	8,757	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	11,507	8,757	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	2,868	1,525	9
Miscellaneous Nonoperating Income (421)	33,059	30,622	10
Total Other Income	35,927	32,147	
Total Income	47,434	40,904	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	(4,989)	(4,989)	11
Other Income Deductions (426)	6,512	6,512	12
Total Miscellaneous Income Deductions	1,523	1,523	
Income Before Interest Charges	45,911	39,381	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	56,804	60,269	13
Amortization of Debt Discount and Expense (428)	0	0	14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	56,804	60,269	
Net Income	(10,893)	(20,888)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	376,367	405,683	19
Balance Transferred from Income (433)	(10,893)	(20,888)	20
Miscellaneous Credits to Surplus (434)	0	24,803	21
Miscellaneous Debits to Surplus--Debit (435)	0	33,231	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	365,474	376,367	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	75,897		75,897	1
Total (Acct. 400):	75,897	0	75,897	
Operation and Maintenance Expense (401):				
Derived	40,879		40,879	2
Total (Acct. 401):	40,879	0	40,879	
Depreciation Expense (403):				
Derived	19,412		19,412	3
Total (Acct. 403):	19,412	0	19,412	
Amortization Expense (404):				
Derived	2,763		2,763	4
Total (Acct. 404):	2,763	0	2,763	
Taxes (408):				
Derived	1,336		1,336	5
Total (Acct. 408):	1,336	0	1,336	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	11,507	0	11,507	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST AND DIVIDEND INCOME	2,868	0	2,868	10
Total (Acct. 419):	2,868	0	2,868	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	11

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
SEWER NET INCOME	53,101	(20,042)	33,059 12
Total (Acct. 421):	53,101	(20,042)	33,059
TOTAL OTHER INCOME:	55,969	(20,042)	35,927

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
Regulatory Liability (253) Amortization	(4,989)		(4,989) 13
NONE	0	0	0 14
Total (Acct. 425):	(4,989)	0	(4,989)
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		6,512	6,512 15
NONE	0	0	0 16
Total (Acct. 426):	0	6,512	6,512
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	(4,989)	6,512	1,523

INTEREST CHARGES

Interest on Long-Term Debt (427):			
Derived	56,804		56,804 17
Total (Acct. 427):	56,804	0	56,804
Amortization of Debt Discount and Expense (428):			
NONE	0		0 18
Total (Acct. 428):	0	0	0
Amortization of Premium on Debt--Cr. (429):			
NONE	0		0 19
Total (Acct. 429):	0	0	0
Interest on Debt to Municipality (430):			
Derived	0		0 20
Total (Acct. 430):	0	0	0
Other Interest Expense (431):			
Derived	0		0 21
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 22
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	56,804	0	56,804
NET INCOME:	15,661	(26,554)	(10,893)
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	(376,038)	752,405	376,367 23
Total (Acct. 216):	(376,038)	752,405	376,367
Balance Transferred from Income (433):			
Derived	15,661	(26,554)	(10,893) 24
Total (Acct. 433):	15,661	(26,554)	(10,893)
Miscellaneous Credits to Surplus (434):			
NONE	0	0	0 25
Total (Acct. 434):	0	0	0
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 26
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 27
Total (Acct. 436)--Debit:	0	0	0
Appropriations of Income to Municipal Funds--Debit (439):			
NONE	0	0	0 28
Total (Acct. 439)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	(360,377)	725,851	365,474

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	75,897	0	0	0	75,897	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	75,897	0	0	0	75,897	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	973,255	971,479	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	308,138	281,949	2
Net Utility Plant	665,117	689,530	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	1,562,140	1,607,206	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	596,418	574,347	4
Net Nonutility Property	965,722	1,032,859	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	71,480	66,934	7
Total Other Property and Investments	1,037,202	1,099,793	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	45,018	35,967	8
Temporary Cash Investments (132)	0		9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	5,144	6,794	11
Other Accounts Receivable (143)	19,922	15,890	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	21,439	22,378	14
Materials and Supplies (150)	2,434	2,665	15
Prepayments (165)	4,588	4,745	16
Other Current and Accrued Assets (170)	0	0	17
Total Current and Accrued Assets	98,545	88,439	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	8,375	11,138	20
Total Deferred Debits	8,375	11,138	
Total Assets and Other Debits	1,809,239	1,888,900	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	0	0	21
Appropriated Earned Surplus (215)	0		22
Unappropriated Earned Surplus (216)	365,474	376,367	23
Total Proprietary Capital	365,474	376,367	
LONG-TERM DEBT			
Bonds (221)	987,700	1,012,700	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	135,677	160,882	26
Total Long-Term Debt	1,123,377	1,173,582	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	4,257	4,715	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)	0	0	30
Taxes Accrued (236)	1,335	1,421	31
Interest Accrued (237)	9,351	10,375	32
Other Current and Accrued Liabilities (238)	1,284	1,379	33
Total Current and Accrued Liabilities	16,227	17,890	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)	0	0	35
Other Deferred Credits (253)	304,161	321,061	36
Total Deferred Credits	304,161	321,061	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)		0	37
Total Operating Reserves	0	0	
Total Liabilities and Other Credits	1,809,239	1,888,900	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	971,479	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	564,881	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	408,374	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	973,255	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	187,164	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	120,974	0	0	0	12
Total Accumulated Provision	308,138	0	0	0	
Net Utility Plant	665,117	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	167,487				167,487	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	19,412				19,412	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	325				325	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	19,737	0	0	0	19,737	16
Debits during year						17
Book cost of plant retired	60				60	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	60	0	0	0	60	25
Balance end of year (110.1)	187,164	0	0	0	187,164	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	114,462				114,462	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	6,512				6,512	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
					0	13
					0	14
					0	15
Total credits	6,512	0	0	0	6,512	16
Debits during year						17
Book cost of plant retired	0				0	18
Cost of removal					0	19
Other debits (specify):						20
					0	21
					0	22
					0	23
					0	24
Total debits	0	0	0	0	0	25
Balance end of year (110.1)	120,974	0	0	0	120,974	26
Composite Depreciation Rate?	No					27
If yes, what is the rate?						28

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	1,607,206	28,125	73,191	1,562,140	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	1,607,206	28,125	73,191	1,562,140	
Less accum. prov. depr. & amort. (122)	574,347	79,494	57,423	596,418	3
Net Nonutility Property	1,032,859	(51,369)	15,768	965,722	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	2,434	2,665	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	2,434	2,665	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
N/A				1
Total			0	
Unamortized premium on debt (251)				
N/A				2
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		2
Balance end of year	0	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
1-REVENUE BONDS-GMAC CREDIT-02	09/26/1972	01/01/2012	5.00%	106,000	1
2-REVENUE BONDS-GMAC CREDIT-05	12/29/1983	01/01/2018	5.00%	195,000	2
4-REVENUE BONDS-USDA-06	06/20/1996	06/01/2036	4.88%	114,100	3
3-REVENUE BONDS-USDA-01	06/20/1996	06/01/2036	4.88%	304,300	4
2-REVENUE BONDS-USDA-03	06/20/1996	06/01/2036	4.88%	119,400	5
1-REVENUE BONDS-USDA-05	06/20/1996	06/01/2036	4.88%	148,900	6
Total Bonds (Account 221):				987,700	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
SEWER LAGOON CONSTRUCTION LOAN	01/26/2000	03/15/2009	5.25%	78,014	1
PUBLIC LANDS LOAN	01/26/2000	03/15/2009	5.25%	57,663	2
Total for Account 224				135,677	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	1,421	1
Accruals:		
Charged water department expense	1,235	2
Charged electric department expense		3
Charged sewer department expense	2,880	4
Other (explain):		
NONE		5
Total Accruals and other credits	4,115	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	4,099	7
PSC Remainder Assessment	102	8
Other (explain):		
NONE		9
Total payments and other debits	4,201	
Balance end of year	1,335	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
GMAC CREDIT BONDS	0	15,850	15,850	0	1
USDA BONDS	2,785	33,659	33,696	2,748	2
Subtotal	2,785	49,509	49,546	2,748	
Advances from Municipality (223)					
NONE	0			0	3
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
SEWER LAGOON CONSTRUCTION LOAN-USDA	4,664	4,314	4,995	3,983	4
PUBLIC LANDS LOAN	2,926	2,981	3,287	2,620	5
Subtotal	7,590	7,295	8,282	6,603	
Notes Payable (231)					
NONE	0			0	6
Subtotal	0	0	0	0	
Total	10,375	56,804	57,828	9,351	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
GMAC CREDIT RESERVE	36,000	3
USDA RESERVE - WATER	17,720	4
USDA RESERVE - SEWER	17,760	5
Total (Acct. 125):	71,480	
Notes Receivable (141):		
NONE		6
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	5,144	7
Electric		8
Sewer (Regulated)	0	9
Other (specify):		
NONE		10
Total (Acct. 142):	5,144	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	19,922	11
Merchandising, jobbing and contract work		12
Other (specify):		
NONE		13
Total (Acct. 143):	19,922	
Receivables from Municipality (145):		
MUNICIPALITY RECEIVABLES	21,439	14
Total (Acct. 145):	21,439	
Prepayments (165):		
INSURANCE	4,588	15
Total (Acct. 165):	4,588	
Extraordinary Property Losses (182):		
NONE		16
Total (Acct. 182):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Deferred Debits (183):		
WATER TANK REPAIRS	8,375	17
Total (Acct. 183):	8,375	
Payables to Municipality (233):		
NONE		18
Total (Acct. 233):	0	
Other Deferred Credits (253):		
Regulatory Liability	89,805	19
REGULATORY LIABILITY - SEWER	214,356	20
Total (Acct. 253):	304,161	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	563,993	0	0	0	563,993	1
Materials and Supplies	2,549	0	0	0	2,549	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation (110.1)	177,325	0	0	0	177,325	4
Customer Advances for Construction					0	5
Regulatory Liability	92,299	0	0	0	92,299	6
					0	7
Average Net Rate Base	296,918	0	0	0	296,918	
Net Operating Income	11,507	0	0	0	11,507	8
Net Operating Income as a percent of						
Average Net Rate Base	3.88%	N/A	N/A	N/A	3.88%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FULL-TIME EMPLOYEES (FTE)

Use FTE numbers where FTE stands for full-time employees or full-time equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest tenth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.

Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .4 for electric, .3 for water and .2 for sewer.

Industry (a)	FTE (b)	
Water	0.3	1
Electric		2
Gas		3
Sewer	0.7	4

**REGULATORY LIABILITY - PRE-2003 HISTORICAL
ACCUMULATED DEPRECIATION ON CONTRIBUTED UTILITY
PLANT (253)**

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Balance First of Year	94,794	0	0	0	94,794	1
Add credits during year:					0	2
Deduct charges:						
Miscellaneous Amortization (425)	4,989	0	0	0	4,989	3
Other (specify):					0	4
Balance End of Year	89,805	0	0	0	89,805	

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

Other Deferred Debits (Acct 183): amortization requires PSC authorization. Provide date of authorization.

Other Deferred Debits (183): PSC authorized repair and painting of water tower on 11/1/2001.

Please explain amounts in Accounts 143, 145 and/or 233 in excess of \$2,000, providing a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Other Accounts Receivable (143): This account contains sewer customer receivable account balances which are < 180 days old.

Receivables from Municipality (145): Delinquent accounts (>180 days) are put on the property tax rolls are therefore a receivable from the municipality.

Identification and Ownership - Contacts (Page iv)

General footnotes

ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Phelps Sanitary District No. 1
Phelps, Wisconsin

We have compiled the balance sheet of Phelps Sanitary District as of December 31, 2005 and 2004, and the related income and earned surplus statements for the years then ended included in the accompanying Municipal Utility Annual Report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the Municipal Annual Report.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and accordingly, we do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

Wipfli LLP

February 14, 2006
Rhineland, Wisconsin

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	57,654	56,493	1
Total Sales of Water	57,654	56,493	
Other Operating Revenues			
Forfeited Discounts (470)	439	574	2
Other Water Revenues (474)	17,804	15,688	3
Total Other Operating Revenues	18,243	16,262	
Total Operating Revenues	75,897	72,755	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	26,770	28,318	4
General Operating Expenses (680-690)	14,109	14,709	5
Total Operation and Maintenance Expenses	40,879	43,027	
Other Operating Expenses			
Depreciation Expense (403)	19,412	19,633	6
Amortization Expense (404)	2,763	0	7
Taxes (408)	1,336	1,338	8
Total Other Operating Expenses	23,511	20,971	
Total Operating Expenses	64,390	63,998	
NET OPERATING INCOME	11,507	8,757	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	172	6,360	27,420	4
Commercial	23	3,537	7,939	5
Industrial	1	343	718	6
Total Metered Sales to General Customers (461)	196	10,240	36,077	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		19,002	8
Other Sales to Public Authorities (464)	9	545	2,575	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	206	10,785	57,654	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)	
N/A	N/A			1
Total		0	0	

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	19,002	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	19,002	
Forfeited Discounts (470):		
Customer late payment charges	439	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	439	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	579	7
Other (specify):		
TAX LEVY	15,000	8
CELLULAR ONE TOWER RENTAL	1,380	9
MISCELLANEOUS	845	10
Total Other Water Revenues (474)	17,804	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	12,383	14,045	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	4,252	4,223	3
Chemicals (630)	4,001	937	4
Supplies and Expenses (640)	3,026	2,036	5
Repairs of Water Plant (650)	1,718	6,407	6
Transportation Expenses (660)	1,390	670	7
Total Plant Operation and Maintenance Expenses	26,770	28,318	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	3,382	3,175	8
Office Supplies and Expenses (681)	2,045	1,727	9
Outside Services Employed (682)	2,053	3,671	10
Insurance Expense (684)	3,227	2,879	11
Employees Pensions and Benefits (686)	3,380	3,131	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	22	126	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	14,109	14,709	
Total Operation and Maintenance Expenses	40,879	43,027	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent			0	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			0	2
Net property tax equivalent		0	0	
Social Security		1,234	1,189	3
PSC Remainder Assessment		102	149	4
Other (specify): NONE			0	5
Total tax expense		1,336	1,338	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	4,499		4
Structures and Improvements (311)	146,159		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	141,002		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	17,778		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	309,438	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	12,968		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	123,733		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	4,359		20
Total Pumping Plant	141,060	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	26,690		23
Total Water Treatment Plant	26,690	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			4,499	4
Structures and Improvements (311)			146,159	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			141,002	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			17,778	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	309,438	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			12,968	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			123,733	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			4,359	20
Total Pumping Plant	0	0	141,060	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			26,690	23
Total Water Treatment Plant	0	0	26,690	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	436		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	24,963		26
Transmission and Distribution Mains (343)	19,246		27
Fire Mains (344)	0		28
Services (345)	2,973		29
Meters (346)	12,076	1,092	30
Hydrants (348)	1,632		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	61,326	1,092	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	9,812	744	34
Office Furniture and Equipment (372)	132		35
Computer Equipment (372.1)	4,027		36
Transportation Equipment (373)	7,657		37
Other General Equipment (379)	2,963		38
Other Tangible Property (390)	0		39
Total General Plant	24,591	744	
Total utility plant in service directly assignable	563,105	1,836	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	563,105	1,836	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			436 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			24,963 26
Transmission and Distribution Mains (343)			19,246 27
Fire Mains (344)			0 28
Services (345)			2,973 29
Meters (346)	60		13,108 30
Hydrants (348)			1,632 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	60	0	62,358
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			10,556 34
Office Furniture and Equipment (372)			132 35
Computer Equipment (372.1)			4,027 36
Transportation Equipment (373)			7,657 37
Other General Equipment (379)			2,963 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	25,335
Total utility plant in service directly assignable	60	0	564,881
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	60	0	564,881

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	0		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	0	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	329,521		27
Fire Mains (344)	0		28
Services (345)	50,910		29
Meters (346)	0		30
Hydrants (348)	27,943		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	408,374	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	0		39
Total General Plant	0	0	
Total utility plant in service directly assignable	408,374	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	408,374	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			329,521 27
Fire Mains (344)			0 28
Services (345)			50,910 29
Meters (346)			0 30
Hydrants (348)			27,943 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	408,374
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	0	408,374
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	408,374

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			904	904	1
February			894	894	2
March			892	892	3
April			893	893	4
May			1,060	1,060	5
June			1,211	1,211	6
July			1,469	1,469	7
August			1,203	1,203	8
September			1,070	1,070	9
October			1,008	1,008	10
November			794	794	11
December			989	989	12
Total annual pumpage	0	0	12,387	12,387	
Less: Water sold				10,785	13
Volume pumped but not sold				1,602	14
Volume sold as a percent of volume pumped				87%	15
Volume used for water production, water quality and system maintenance				163	16
Volume related to equipment/system malfunction				152	17
Non-utility volume NOT included in water sales				0	18
Total volume not sold but accounted for				315	19
Volume pumped but unaccounted for				1,287	20
Percent of water lost				10%	21
If more than 25%, indicate causes:					22
If more than 25%, state what action has been taken to reduce water loss:					23
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				147	24
Date of maximum: 2/26/2005					25
Cause of maximum:					26
Well #2 would not shut down.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				12	27
Date of minimum: 3/23/2005					28
Total KWH used for pumping for the year				77,138	29
If water is purchased: Vendor Name: NONE					30
Point of Delivery:					31

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
TOWN WELL NO. 1	.001	75	10	432,000	Yes	1
TOWN WELL NO. 2	.002	101	10	518,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Identification Number (b)	Intakes		
		Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
N/A	n/a	0	0	0

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	.001	.002		1
Location	2513 HIGHWAY 17	4320 DEERSKIN RD.		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	BERKLEY	GOULDS		5
Year Installed	1972	1996		6
Type	OTHER	OTHER		7
Actual Capacity (gpm)	300	400		8
Pump Motor or Standby Engine Mfr	HOLLOWSHAFT	US ELECTRIC MOTORS		9
Year Installed	1972	1996		10
Type	ELECTRIC	ELECTRIC		11
Horsepower	25	30		12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	ET		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
			5
Year constructed	1972		6
			7
Primary material (earthen, steel, concrete, other)	STEEL		8
			9
Elevation difference in feet (See Headnote 3.)	154		10
Total capacity in gallons (actual)	60,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13
			14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		15
			16
Filters, type (gravity, pressure, other, none)	NONE		17
			18
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	0.0000		19
			20
Is a corrosion control chemical used (yes, no)?	Y		21
			22
Is water fluoridated (yes, no)?	N		23
			24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

			Number of Feet					
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	1.000	100	0	0	0	100	1
A	D	6.000	5,665	0	0	0	5,665	2
M	D	6.000	3,285	0	0	0	3,285	3
P	D	6.000	5,417	0	0	0	5,417	4
A	D	8.000	7,035	0	0	0	7,035	5
M	D	8.000	420	0	0	0	420	6
P	D	8.000	644	0	0	0	644	7
P	S	8.000	254	0	0	0	254	8
A	D	10.000	7,540	0	0	0	7,540	9
A	S	10.000	87	0	0	0	87	10
Total Within Municipality			30,447	0	0	0	30,447	
Total Utility			30,447	0	0	0	30,447	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	173	0	0	0	173	25	1
M	1.000	34	0	0	0	34	5	2
P	1.000	18	0	0	0	18	1	3
M	2.000	2	0	0	0	2	2	4
Total Utility		227	0	0	0	227	33	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	185	12	0	0	197	32	1
0.750	6	0	1	0	5	2	2
1.000	7	0	0	0	7	1	3
1.500	3	0	0	0	3	1	4
2.000	3	0	0	0	3	1	5
3.000	2	0	0	0	2	0	6
8.000	2	0	0	0	2	2	7
Total:	208	12	1	0	219	39	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	160	15	0	6	4	12	197	1
0.750	1	1	0	1	0	2	5	2
1.000	2	2	1	1	0	1	7	3
1.500	0	2	0	1	0	0	3	4
2.000	0	2	0	0	0	1	3	5
3.000	0	0	0	2	0	0	2	6
8.000	0	0	0	2	0	0	2	7
Total:	163	22	1	13	4	16	219	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	50				50	2
Total Fire Hydrants	50	0	0	0	50	
Flushing Hydrants						
	2				2	3
Total Flushing Hydrants	2	0	0	0	2	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Other Operating Revenues (Water) (Page W-04)

Please explain amounts in Account 474 in excess of \$2,000, including like items grouped. Please provide, for example, a short list or detail using other than terms such as "other revenues" "general" "miscellaneous" or repeating the account title.

Other Water Revenues (474) - In prior year, the annual tax levy for water was included in the return on investment line, instead of being broken out on its own line.

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Chemicals (630) - Water chemical expense increased due to a pollutant found in one of the wells.

Repairs of Water Plant (650) - Repairs of water plant decreased significantly from prior year due to maintenance in prior years.

Meters (Page W-19)

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

Both 8" station meters were tested in 2005.
